

# If Raises Are On a Percentage Basis Then Healthcare Costs Should Be Too!

**The current healthcare cost structure is highly regressive in terms of percentage of income. A Sliding Fee Scale for healthcare expenses based on a percentage of income is the best way to change this regressive system and protect the most vulnerable.**

Income	2.5% Raise *	What the U wants you to pay per year for employee only coverage **	What this is as a % of your income, after a proposed 2.5% raise	What you would pay per year in a sliding scale system (based on 1.67% of your income) ****	What the U wants you to pay per year for family coverage	What this is as a % of your income, after a proposed 2.5% raise	What you would pay per year for family coverage under a sliding scale system (based on 7.21% of your income) ****
<b>\$37,000 ***</b>	\$925	\$950.56	2.51%	\$633.35	\$3714.36	9.79%	\$2734.39
<b>\$50,000</b>	\$1250	\$950.56	1.85%	\$855.88	\$3714.36	7.25%	\$3695.13
<b>\$75,000</b>	\$1875	\$950.56	1.24%	\$1283.81	\$3714.36	4.83%	\$5542.69
<b>\$100,000</b>	\$2500	\$950.56	0.93%	\$1711.75	\$3714.36	3.62%	\$7390.25
<b>\$125,000</b>	\$3125	\$950.56	0.74%	\$2139.69	\$3714.36	2.90%	\$9237.81
<b>\$150,000</b>	\$3750	\$950.56	0.62%	\$2567.63	\$3714.36	2.42%	\$11085.38
<b>\$200,000</b>	\$5000	\$950.56	0.46%	\$3423.50	\$3714.36	1.81%	\$14780.50
<b>\$250,000</b>	\$6250	\$950.56	0.37%	\$4279.38	\$3714.36	1.45%	\$18475.63

\* The University allocated 2.5% for salary increases for the current fiscal year.

\*\* The University proposed rates for 2014. They have also proposed significant cost-shifts which hurt the lowest paid and those with chronic health issues the most.

\*\*\* Average salary for AFSCME-represented workers at the U of MN.

\*\*\*\*In our proposal, we calculated the total annual employee premium cost (2013 rates plus a 6% increase as presented to the BAC) and the total annual average wage (multiplied the number of enrollees in each plan by \$59,079). We then divided the total premium cost by the total average wage, in order to determine the premium cost as a percent of wage. We would propose capping the amount paid so that nobody would pay more than the total amount of the premium.

## Why Won't the U Discuss Sliding Scale Premiums?

AFSCME proposed sliding scale premiums in contract negotiations. In mediation on September 11, we provided a detailed sliding scale premium model for our members, based on the annual average University base salary of \$59,000. The University rejected our proposal because it is based on University salaries as a whole, not just AFSCME-represented workers. Just the day before, however, the Benefits Advisory Committee which includes all non-unionized employee groups, was told that they would not be allowed to discuss a sliding scale plan because AFSCME raised it in bargaining. The Administration refuses to discuss sliding scale with AFSCME and reneged on its promise to discuss sliding scale with all other employee groups, a promise made at the July 18 BAC meeting. **The best and fairest option for healthcare changes at the U of M is a sliding scale model. The U needs to discuss it!**

### What You Can Do:

- **Join faculty, staff, and students on Thursday, September 26 at Noon in front of Morrill Hall at a rally for affordable health care and a sliding scale plan**
- Visit [bac.umn.edu](http://bac.umn.edu) to contact your BAC representative to voice your support for a fairer way to manage healthcare costs.
- Visit [afscme3800.org/healthinsurance](http://afscme3800.org/healthinsurance) to:
  - Learn about how a sliding fee scale is the fairest solution to managing healthcare costs at the U of M.
  - Print out this flyer and others to share with coworkers or post in your office or building.
  - Sign our petition and learn about other ways that AFSCME is leading the fight against these proposed healthcare increases that will affect all U of M employees.

